

Honorable Martin Glenn,

I have a number of details that might be useful those involved with the Celsius bankruptcy case, along with a request for ruling regarding the assets of Custody account holders.

tl;dr; it would be nice to have a ruling on Custody assets, ideally to be returned to the title owner (the account holder). It'd also be helpful if the court could get exact times certain actions were taken, as it seems possible that Celsius stalled on fulfilling pending withdrawals (before ultimately canceling them) because they were illiquid.

Custody Accounts Being Made Whole

Custody accounts are delineated from 'Earn' accounts in both the Celsius TOS and in Celsius's presentations to the court. Unfortunately, in their panic, they made the decision to freeze these accounts.

Celsius's balance sheet shows they have \$180m in Custody assets, and \$180m in Custody liabilities. Celsius has also admitted in court on Monday that these account holders own the title to the assets.

Celsius has declined to request making these creditors whole, and instead asked the court to make a decision about their fate. I would ask the court to find that Celsius should immediately open withdrawals to Custody account holders, as their assets are available and set aside for them.

In full disclosure, I personally have funds in a Custody account that I had attempted to withdraw in the hours prior to Celsius announcing a withdrawal freeze, which leads me to my second point.

Missing Details In The Pause

There's a section in the declaration by Alex Mashinsky called "The Pause" (page 38) that is lacking important details.

Mashinsky states that on June 12, 2022, there was an "emergency meeting" where Board members decided to halt all withdrawals, and "later that night, the Company announced that it was pausing all account withdrawals."

There are no times given for 1) when the meeting was, 2) when the vote was held, 3) what time the freeze was implemented, or 4) when the freeze was announced to clients. These are key details that will help us understand how Celsius was behaving prior to the Pause, and leads me to my final point.

Pending withdrawals from Custody were unfulfilled

I attempted to withdraw assets from Celsius in the days leading to the withdrawal freeze, but there were a number of roadblocks. Notably, when trying to withdraw, a 24 hour freeze was placed on my account, "for my protection".

When I tried again the following afternoon at 4:20pm Central Time, I did a small test withdrawal to verify the correct wallet address. It was for roughly \$20 of cryptocurrency at the time, and it was received just 3 minutes later at 4:23pm.

At 4:25pm, I initiated a withdrawal for the remaining assets. I received an email saying that the transaction had been initiated and my account value was zero.

However, the transaction was marked "pending" for nearly 5 hours until being abruptly canceled at around 9pm Central, which is roughly when the Pause was announced. The cancelation is timestamped at 4:25pm, which is backdated by Celsius. My assets have been locked ever since. I was never notified by Celsius that the transaction was canceled and had to search for it within the app.

I managed to find several wallet addresses that my friends and I had transacted with. Most of the wallets were emptied out prior to the Pause on June 12. Remarkably, after the \$20 test withdrawal I'd made, there was less than \$2 worth of cryptocurrency left in the wallet.

Perhaps this is why my transaction sat in pending for 5 hours before being canceled by Celsius - there simply wasn't anything to withdraw.

An audit of transactions and account balances leading up to the Pause, and all action taken by Celsius around June 12 seems logical.

Fulfilling pending withdrawals prior to the freeze also seems reasonable. Withdrawals can only be done from Custody accounts, though, which we've established are assets to which the title belongs to the Custody account holder, so the point is moot.

Thank you.